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**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA, AND
BAYOU BOEUF LEVEE DISTRICT**

Financial Report

Year Ended June 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

9/23/09

STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
P. O. Box 8235
Alexandria, Louisiana 71306-1235

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

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P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

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Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Chris Brouillette, Levee Board Operations Superintendent of Red River, Atchafalaya and Bayou Boeuf Levee District (District) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Red River, Atchafalaya and Bayou Boeuf Levee District at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 27th day of August, 2009.

Chris Brouillette
Signature of Agency Official

Chris J. Roy Sr.
NOTARY PUBLIC

Prepared by: Chris Brouillette
Title: Operations Superintendent
Telephone No.: 318-443-9646
Date: 8-27-09
Email Address: dlafleur@rrabb.net

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners Red River, Atchafalaya and Bayou Boeuf Levee District Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities of the Red River, Atchafalaya and Bayou Boeuf Levee District (the District), a component unit of the State of Louisiana, as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Red River, Atchafalaya and Bayou Boeuf Levee District, as of June 30, 2009, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 10, 2009, on our consideration of the Red River, Atchafalaya and Bayou Boeuf Levee District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 8 and page 32 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements of Red River, Atchafalaya and Bayou Boeuf Levee District taken as a whole. The accompanying supplemental information and the Division of Administration reporting package listed in the table of contents are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
August 10, 2009

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Management's Discussion and Analysis
As of June 30, 2009

The Management's Discussion and Analysis of the Red River, Atchafalaya and Bayou Boeuf Levee District's (the District) financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements, which begin on page 11.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities at the close of fiscal year 2009 by \$2,317,875 compared to \$2,792,112 for fiscal year 2008 which represents a decrease of net assets of \$474,237 or 17%.
- The District's revenues increased by \$332,052 or 13% and the expenses increased by \$586,961 or 20%; resulting in the decrease of net assets of \$474,237.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements -

The government-wide financial statements report information about the District as a whole using accounting methods similar to those used by private sector companies. These statements report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of the District's assets (including infrastructure acquired after July 1, 2003) and all of the District's liabilities, including long-term debt.

The government-wide financial statements are presented on pages 11 and 12. The Statement of Net Assets (page 11) and the Statement of Activities (page 12) provide information about the activities of the District as a whole and present a long-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. The governmental activities are financed primarily by ad valorem taxes and other sources including state revenue sharing, mineral royalties, rent generated from leasing of District land, and interest.

Fund Financial Statements -

Fund financial statements provide detailed information regarding the District's most significant activities and are not intended to provide information for the District as a whole. Funds are accounting devices that are used to account for specific sources of funds.

All of the District's basic services are reported in a governmental fund. Governmental funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of the District's finances. Assets reported by governmental funds are limited to amounts that are expected to be paid from currently available assets.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Management's Discussion and Analysis (Continued)
As of June 30, 2009

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As indicated in the table below, the portion of the District's net assets invested in capital assets totals \$1,414,908. Net assets invested in capital assets consist of land, buildings, and equipment less any debt used to acquire the assets that remain outstanding. The District uses these capital assets to provide services to the citizens of Avoyelles, Rapides, and St. Landry parishes; consequently, these amounts are not available for future spending.

The remaining unrestricted net assets may be used to meet the District's ongoing obligations to citizens and creditors. As of June 30, 2009 the District's investment in capital assets in the amount of \$1,414,908 did not exceed total net assets of \$2,317,875 resulting in unrestricted net assets in the amount of \$902,967.

A condensed version of the government-wide Statement of Net Assets presented as follows:

	Governmental Activities	
	2009	2008
Assets:		
Current and other assets	\$ 1,894,222	\$ 1,886,915
Capital assets	<u>1,433,988</u>	<u>1,462,564</u>
Total assets	<u>3,328,210</u>	<u>3,349,479</u>
Liabilities:		
Current and other liabilities	70,284	64,049
Long-term liabilities	<u>940,051</u>	<u>493,318</u>
Total liabilities	<u>1,010,335</u>	<u>557,367</u>
Net Assets:		
Invested in capital assets (net)	1,414,908	1,404,307
Unrestricted	<u>902,967</u>	<u>1,387,805</u>
Total net assets	<u>\$ 2,317,875</u>	<u>\$ 2,792,112</u>

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Management's Discussion and Analysis (Continued)
As of June 30, 2009

Net assets of the District decreased by \$474,237 in the current fiscal year. The decrease is the result of general government expenses exceeding revenues during the fiscal year ending June 30, 2009, as follows:

	Governmental Activities	
	2009	2008
General government expenses	\$ (3,516,120)	\$ (2,929,159)
Program revenues -		
Operating grants and contributions	580,034	360,000
Subtotal	(2,936,086)	(2,569,159)
General revenues -		
Ad valorem taxes	2,125,312	1,971,761
State revenue sharing	98,817	101,509
Intergovernmental	17,000	-
Interest income	37,306	69,271
Royalties and leases	153,741	159,488
Miscellaneous	29,673	47,802
Total general revenues	2,461,849	2,349,831
Change in net assets	(474,237)	(219,328)
Net assets, July 1	2,792,112	3,011,440
Net assets, June 30	\$ 2,317,875	\$ 2,792,112

Total general government expenses increased by \$586,961 in the current fiscal year over the prior year. The increase is mainly attributable to the increase in the postemployment benefit expense for group health insurance and the increase in the value of limestone used by the District which was donated from the U.S. Corp of Engineers. Total general revenues increased by \$112,018 in the current fiscal year over the prior year. The increase is attributable to increased property value assessments, which generated additional property taxes. Program revenues and general government expenses included a donation of 11,992 tons of limestone from the U.S. Corp of Engineers valued at \$580,034.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's General Fund, which is available for spending at the District's discretion, reported a fund balance of \$1,843,018, a decrease of \$17,328 over the prior year. The decrease is primarily due to increased cost in maintenance salaries, employees' health insurance and the increase in levee maintenance. The District also expended some funds in the current year for capital outlay. These costs may fluctuate significantly from year to year.

BUDGET HIGHLIGHTS

The District adopts an annual budget each year prior to the beginning of the next fiscal year. The budget is amended as necessary to reflect increases or decreases in revenue sources and the related effects on its operations. Total revenues exceeded budgeted revenues by \$86,849 or 3% and total expenditures exceeded budgeted expenditures by \$104,177 or 4%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Asset Administration -

At June 30, 2009, the District had \$1,433,988, net of depreciation, invested in a broad range of capital assets. Significant capital expenditures included the purchase of 2008 Komatsu Dozer with a allied wrench and the purchase of a 2010 Dynaweld Lowboy Trailer. Capital asset activity for the year ended June 30, 2009 is summarized as follows:

Additions	
Buildings & Improvements	\$ 6,650
Automobiles & Equipment	<u>160,911</u>
Total Additions	167,561
Depreciation	<u>(196,137)</u>
Net increase (decrease)	(28,576)
Beginning capital assets (net)	<u>1,462,564</u>
Ending capital assets (net)	<u>\$ 1,433,988</u>

Capital assets at year end are summarized as follows:

	<u>6/30/2009</u>	<u>6/30/2008</u>
Land	\$ 412,005	\$ 412,005
Buildings and Improvements, net	242,776	255,397
Automobiles and Equipment, net	<u>779,207</u>	<u>795,162</u>
Total	<u>\$ 1,433,988</u>	<u>\$1,462,564</u>

Debt Administration -

The District's debt consisted of two capital lease obligations that were incurred in previous fiscal years. The District had \$19,080 in debt outstanding at June 30, 2009, a decrease of \$39,177. No new debt was issued during the current year. The decrease is attributable to payments on capital leases.

Also included in long-term liabilities is a provision for post employment benefit obligations of \$852,558 as of June 30, 2009. This amount includes the annual required contribution plus interest cost less the actual annual contribution made by the District. The actuarial accrued liability of \$7,000,600 for the District is not funded and not recorded in these financial statements.

FACTORS EXPECTED TO AFFECT FUTURE OPERATIONS

The District's elected and appointed officials considered the following factors and indicators when settings next year's budget, rates, and fees:

- Ad Valorem taxes
- Interest income
- Projects under consideration, and
- Intergovernmental revenues (state and local grants).

At the present time, there are no factors that are expected to have a significant impact on future operations.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Management's Discussion and Analysis (Continued)
As of June 30, 2009

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional information, contact Chris Brouillette, Levee Board Operations Superintendent, Post Office Box 8235, Alexandria, Louisiana 71306-1235.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Statement of Net Assets
June 30, 2009

ASSETS

Current assets:	
Cash	\$ 1,876,539
Receivables, net	<u>17,683</u>
Total current assets	<u>1,894,222</u>
Capital assets :	
Non depreciable capital assets	412,005
Depreciable capital assets, net	<u>1,021,983</u>
Total capital assets	<u>1,433,988</u>
Total assets	<u>3,328,210</u>

LIABILITIES

Current liabilities:	
Accounts and other payables	18,204
Deferred revenue	33,000
Capital lease obligation-due within one year	<u>19,080</u>
Total current liabilities	<u>70,284</u>
Noncurrent liabilities:	
Compensated absences payable	87,493
Postemployment benefits payable	<u>852,558</u>
Total noncurrent liabilities	<u>940,051</u>
Total liabilities	<u>1,010,335</u>

NET ASSETS

Invested in capital assets, net of related debt	1,414,908
Unrestricted	<u>902,967</u>
Total net assets	<u>\$ 2,317,875</u>

The accompanying notes are an integral part of the basic financial statements.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Statement of Activities
For the Year Ended June 30, 2009

Expenses:

Governmental activities -

General government:

Personal services	\$ 2,171,530
Travel	15,767
Operating services	1,100,639
Supplies	13,899
Professional services	16,534
Interest	1,614
Depreciation	<u>196,137</u>
Total governmental activities	3,516,120

Program revenues - operating contribution	<u>580,034</u>
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Net (expenses) after program revenues	<u>(2,936,086)</u>
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General revenues:

Taxes	2,125,312
State revenue sharing	98,817
Intergovernmental	17,000
Interest income	37,306
Royalties and leases	153,741
Miscellaneous	<u>29,673</u>
Total general revenues	<u>2,461,849</u>

Change in net assets	(474,237)
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Net assets - July 1, 2008 restated	<u>2,792,112</u>
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Net assets - June 30, 2009	<u>\$ 2,317,875</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Balance Sheet
Governmental Fund
June 30, 2009

ASSETS	
Cash	\$ 1,876,539
Receivables:	
Ad valorem taxes	10,899
Royalties	4,422
Interest	1,552
Permit and other fees	810
Total assets	<u>\$ 1,894,222</u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	18,126
Payroll taxes payable	78
Deferred revenues	33,000
Total liabilities	51,204
Fund balances -	
Unreserved, designated for general fund	<u>1,843,018</u>
Total liabilities and fund balances	<u>\$ 1,894,222</u>

The accompanying notes are an integral part of the basic financial statements.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Assets
June 30, 2009

Total fund balance for governmental fund at June 30, 2009			\$1,843,018
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land		\$ 412,005	
Buildings and improvements, net of \$374,802 accumulated depreciation		242,776	
Automobiles and equipment, net of \$706,722 accumulated depreciation		<u>779,207</u>	1,433,988
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet			
Compensated absences payable		(87,493)	
Capital lease obligations		(19,080)	
Postemployment benefits payable		<u>(852,558)</u>	<u>(959,131)</u>
Total net assets of governmental activities at June 30, 2009			<u>\$2,317,875</u>

The accompanying notes are an integral part of the basic financial statements.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balances-
Governmental Fund
For the Year Ended June 30, 2009

Revenues:	
Taxes	\$2,125,312
States revenue sharing	98,817
Intergovernmental	17,000
Interest income	37,306
Royalties and leases	153,741
Donation from U.S. Corp of Engineers	580,034
Miscellaneous	<u>29,673</u>
Total revenues	<u>3,041,883</u>
Expenditures:	
Current -	
General government:	
Personal services	1,704,020
Travel	15,767
Operating services	1,100,639
Supplies	13,899
Professional services	16,534
Debt service	40,791
Capital outlay	<u>167,561</u>
Total expenditures	<u>3,059,211</u>
Excess (deficiency) of revenues over expenditures	(17,328)
Fund balances, beginning	<u>1,860,346</u>
Fund balances, ending	<u>\$1,843,018</u>

The accompanying notes are an integral part of the basic financial statements.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of the Governmental Fund
to the Statement of Activities
For the Year Ended June 30, 2009

Total net changes in fund balances at June 30, 2009 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ (17,328)
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The change in net assets reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 167,561	
Depreciation expense for the year ended June 30, 2009	<u>(196,137)</u>	(28,576)

Some expenses reported in the statement of activities do not require
the use of current financial resources and therefore are not
reported as expenditures in governmental funds -

Compensated absences	1,048
Postemployment benefits	(468,558)

Repayment of long-term debt is an expenditure in the governmental
funds, but the repayment reduces long-term liabilities in the
government-wide presentation.

39,177

Total changes in net assets at June 30, 2009 per Statement of Activities	<u>\$(474,237)</u>
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The accompanying notes are an integral part of the basic financial statements.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Red River, Atchafalaya and Bayou Boeuf Levee District (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Financial Reporting Entity

The Red River, Atchafalaya and Bayou Boeuf Levee District (the District) was created by Louisiana Revised statute R.S. 38:291(M). The District includes all or portions of the following parishes: Avoyelles, Rapides and St. Landry. The District provided flood protection for those areas contained in the District. The Board of Commissioners administers the operations and responsibilities of the District in accordance with the provisions of Louisiana statutes. The three members of the Board of Commissioners which governs the District are appointed by the governor of the State of Louisiana.

This report includes those funds, organizations, institutions, agencies, departments, and offices that are not legally separate from the District. The financial statements do not include the data of any component units necessary for general purpose financial reporting in conformity with generally accepted accounting principles.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

Fund Financial Statements

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The District reports all its activities in a general fund. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the District is described below:

Governmental Fund -

General Fund

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

C. Measurement Focus/Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements:		
Government Funds	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus, revenue is recognized when it is measurable and available. Revenue is considered available if it is collected within 60 days or if it is due under a cost reimbursement arrangement. In addition, expenses are generally recorded when a liability has been incurred; however, debt service, claims and judgments are recorded as expenses when payment is made. Furthermore, when the current financial resources measurement focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt are reported as an other financing source and repayment of long-term debt is reported as an expenditure.

D. Assets, Liabilities and Equity

Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the District. Certificates of deposits with a maturity period greater than three months are not considered a cash equivalent for purposes of the statement of cash flows. Under state law, the District may invest in United States bonds, treasury notes, or certificates.

Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible. At June 30, 2009, no amounts reported as receivables were considered to be uncollectible.

Capital Assets

Capital assets, which include property, equipment, and infrastructure acquired after July 1, 2003, are reported as assets in the governmental column in the government-wide financial statements. Assets reported in the fund financial statements for governmental funds exclude capital assets. Instead, the governmental funds report the acquisition of capital assets as expenditures rather than asset acquisitions.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20-40 years
Automobiles and equipment	5-7 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of compensated absences and capital lease obligations.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

District employees, both classified and unclassified, earn annual and sick leave at various rates depending on the number of years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, and employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, the number of hours of unused sick leave is computed and considered in computing the years of service for retirement benefit purposes.

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

E. Revenues, Expenditures, and Expenses

Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character:

In the fund financial statements, governmental funds report expenditures of financial resources.

F. Budget and Budgetary Accounting

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on the prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. As required by state law, the District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. Budgetary amounts are presented as amended and all budget appropriations lapse at year end.

State appropriations made for the operations of the various programs of the District are annual lapsing appropriations.

G. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

(2) Restatement of Net Assets – June 30, 2008

Postemployment benefits payable was overstated as of June 30, 2008. The Division of Administration contracted with Mercer LLC to provide the actuarially determined amounts for the accrued liability, normal cost, and annual required contributions for each agency whose employees participate in the State of Louisiana's health insurance plan. Financial amounts used to record the postemployment benefit payable as of June 30, 2008 were for another state agency, Atchafalaya Basin Levee District, not Red River, Atchafalaya, and Bayou Bouef Levee District. The effect of this error understated ending net assets at June 30, 2008 by \$1,711,605 as follows:

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
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Notes to Basic Financial Statements (Continued)

Total net assets as previously reported – June 30, 2008	\$1,080,447
Postemployment benefit payable incorrectly recorded as of June 30, 2008	\$2,095,665
Actual postemployment benefit payable as of June 30, 2008	<u>384,000</u>
Adjustment to correct overstatement of postemployment benefit payable	<u>1,711,665</u>
Total net assets as restated – June 30, 2008	<u><u>\$2,792,112</u></u>

(3) Ad Valorem Taxes

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year in which the tax is levied. Property taxes are recognized when the revenue is measurable and available. Available means due or past due and collected on longer than 60 days after the close of the current period. For the year ended June 30, 2009, the District levied and collected 3.71 mills of taxes for the general corporate purposes of the District. In addition, the District levied and collected a 15 cents (\$.15) per acre assessment on 692,588 acres within the parishes served by the District and a \$100 per mile assessment on track mileage on the railroads in Rapides, St. Landry, and Avoyelles Parish.

(4) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2009, the District had cash and interest-bearing deposits (book balances) totaling \$1,876,539 as follows:

Cash	\$ 418,356
Interest-bearing deposits	<u>1,458,183</u>
Total	<u><u>\$ 1,876,539</u></u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2009, are secured as follows:

Bank balances	<u>\$ 1,953,716</u>
Federal deposit insurance	1,556,519
Pledged securities	<u>397,197</u>
Total	<u>\$ 1,953,716</u>

(5) Receivables

Receivables at June 30, 2009 consisted of the following:

	<u>General</u>
Royalties	\$ 4,422
Interest	1,552
Permits and other fees	<u>11,709</u>
Totals	<u>\$ 17,683</u>

(6) Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balance 07/01/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/09</u>
Non depreciable capital assets:				
Land	<u>\$ 412,005</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,005</u>
Depreciable capital assets:				
Buildings and improvements	610,927	6,650	-	617,577
Automobiles and equipment	1,343,950	160,911	18,932	1,485,929
Accumulated depreciation	<u>(904,318)</u>	<u>(196,137)</u>	<u>(18,932)</u>	<u>(1,081,523)</u>
Total depreciable capital assets	<u>1,050,559</u>	<u>(28,576)</u>	<u>-</u>	<u>1,021,983</u>
Total capital assets, net	<u>\$1,462,564</u>	<u>\$ (28,576)</u>	<u>\$ -</u>	<u>\$1,433,988</u>

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

(7) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses at June 30, 2009 consisted of the following:

Vendors	\$ 18,126
Other payables	<u>78</u>
	<u>\$ 18,204</u>

(8) Long-Term Debt

A summary of long-term debt at June 30, 2009 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Capital leases payable:				
John Deere	\$ 17,577	\$ -	\$ 17,577	\$ -
Caterpillar	<u>40,680</u>	<u>-</u>	<u>21,600</u>	<u>19,080</u>
Total	<u>\$ 58,257</u>	<u>\$ -</u>	<u>\$ 39,177</u>	<u>\$ 19,080</u>

Long-term debt outstanding at June 30, 2009 consisted of one capital lease agreement entered into prior years for the purchase of a dozer with an original cost of \$95,579.

The capital lease for the dozer bears interest at a rate of 4.3% with 60 monthly payments of \$1,767 beginning July 7, 2005 and ending July 7, 2010.

\$ 19,080

Future minimum lease payments under the capital lease arrangement with Caterpillar is presented as follows:

	<u>Caterpillar</u>	<u>Total</u>
Year Ending June 30, 2010	19,437	19,437
Amounts representing interest	<u>(357)</u>	<u>(357)</u>
Present value of minimum lease payments	<u>\$ 19,080</u>	<u>\$ 19,080</u>

(9) Employee Retirement

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
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Notes to Basic Financial Statements (Continued)

All full-time District employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2007 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions.

That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_07.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 20.4% and 19.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The District contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$140,094, \$133,102, and \$126,376, respectively, equal to the required contributions for each year.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
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Notes to Basic Financial Statements (Continued)

(10) Post Retirement Health Care and Life Insurance Benefits

Plan Description. The District participates in the defined benefit postemployment healthcare plan administered by the State of Louisiana Office of Group Benefits. The Office of Group Benefits (OGB) is an agent multiple-employer postemployment healthcare plan. OGB provides health care and life insurance benefits to active and retired employees and their eligible dependents. LRS 42:801-883 assigns the authority to establish and amend the benefit provisions of the plan to the state agency.

Funding Policy. The contribution requirements of plan members and the District are reviewed by the OGB Policy and Planning Board. A written recommendation from this Board is forwarded to the House Appropriations Committee and Senate Finance Committee for oversight. The District is required to contribute specified amounts monthly toward the cost of health insurance premiums. The post-employment benefits administered through the OGB are financed on a pay-as-you-go basis.

Annual OPEB Cost. The District's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the district's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the district's net OPEB obligation to OGB.

Annual required contribution (ARC)	\$ 550,000
Beginning of fiscal year, OPEB	384,000
Amortization factor	26.17
Interest on beginning of year OPEB	15,360
ARC adjustment	14,673
Annual OPEB expense (ARC + interest - ARC adjustment)	550,687
Current fiscal year contributions	82,129
Net OPEB obligation-end of fiscal year	<u>\$ 852,558</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and 2008 follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$550,687	14.91%	\$852,558
6/30/08	\$384,000	22.44%	\$384,000

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

Funded Status and Funding Progress. The funded status of the Plan as it relates to the District as of July 1, 2008, was as follows:

Actuarial accrued liability (AAL)	\$7,000,600
Actuarial value of plan assets	-0-
Unfunded actuarial accrued liability (UAAL)	\$7,000,600
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	\$936,400
UAAL as a percentage of covered payroll	747.61%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2008 actuarial valuation the projected unit credit method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses). The annual healthcare cost trend rates used were as follows:

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
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Notes to Basic Financial Statements (Continued)

<u>Fiscal Year</u>	<u>Pre-Medicare</u>	<u>Medicare-Eligible</u>
2008	9.0%	10.1%
2009	8.5%	9.6%
2010	8.0%	9.1%
2011	7.5%	8.6%
2012	7.0%	8.1%
2013	6.5%	7.6%
2014	6.0%	7.1%
2015	5.5%	6.6%
2016	5.4%	6.3%
2017	5.3%	6.0%
2018	5.2%	5.8%
2019	5.1%	5.5%
2020	5.0%	5.3%
2021+	5.0%	5.0%

OGB's unfunded actuarial accrued liability is being amortized as a level dollar amount. The maximum amortization period of 30 years allowed by GASB 45 is being used.

(11) Compensation of District Officials

Per diem payments are authorized by Louisiana Revised Statute 38:308 and are included in the personal services expenses. Board members are paid \$75 per day to a maximum of 36 days per year for board meeting and/or official business. The board president may receive compensation not to exceed \$1,000 per month in lieu of per diem. Per diem payments for the year ended June 30, 2009 were as follows:

Commissioners:	
Burton Bordelon	\$ 450
Andrew Leon	2,000
Carlos Polotzola	10,000
Norman Budd	2,250
Keith Lacombe	2,250
Total	<u>\$16,950</u>

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Notes to Basic Financial Statements (Continued)

(12) Compensated Absences

At June 30, 2009, employees of the District had accumulated \$87,493 in annual leave benefits which were computed in accordance with GASB Codification Section C60. The following is a summary of the changes in compensated absences:

Beginning balance	\$ 88,541
Reductions, net	<u>(1,048)</u>
Ending Balance	<u>\$ 87,493</u>

(13) Litigation and Claims

As of June 30, 2009 and the issuance of this report, the District was involved in one lawsuit. In the opinion of legal counsel for the District, the amounts, if any, resulting from the settlement of this pending claim, not covered by insurance, would not materially affect the financial statements.

(14) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by acquiring and maintaining commercial insurance coverage for each of these risks of loss. Claims resulting from these risks have historically not exceeded insurance coverage, and management believes such coverage is sufficient to preclude any significant uninsured losses to the District.

**REQUIRED
SUPPLEMENTARY INFORMATION**

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND
BAYOU BOEUF LEVEE DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2009

	2009			
	Budget			Variance- Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes -				
Ad valorem	\$1,890,000	\$ 2,023,000	\$2,125,312	\$ 102,312
State revenue sharing	95,000	95,000	98,817	3,817
Intergovernmental revenues	-	-	17,000	17,000
Interest income	-	-	37,306	37,306
Royalties and leases	257,000	257,000	153,741	(103,259)
Donation from U.S. Corp of Engineers	-	580,034	580,034	-
Miscellaneous	-	-	29,673	29,673
Total revenues	<u>2,242,000</u>	<u>2,955,034</u>	<u>3,041,883</u>	<u>86,849</u>
Expenditures:				
General government -				
Personal services	1,448,400	1,581,400	1,704,020	(122,620)
Travel	9,000	9,000	15,767	(6,767)
Operating services	548,500	1,128,534	1,100,639	27,895
Supplies	12,000	12,000	13,899	(1,899)
Professional services	16,100	16,100	16,534	(434)
Capital expenditures	208,000	208,000	167,561	40,439
Debt service	-	-	40,791	(40,791)
Total expenditures	<u>2,242,000</u>	<u>2,955,034</u>	<u>3,059,211</u>	<u>(104,177)</u>
Net change in fund balances	-	-	(17,328)	(17,328)
 Fund balance, beginning	<u>1,860,346</u>	<u>1,860,346</u>	<u>1,860,346</u>	<u>-</u>
Fund balance, ending	<u>\$1,860,346</u>	<u>\$ 1,860,346</u>	<u>\$1,843,018</u>	<u>\$ (17,328)</u>

INTERNAL CONTROL, COMPLIANCE
AND
OTHER INFORMATION

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
Red River, Atchafalaya and
Bayou Boeuf Levee District
Alexandria, Louisiana

We have audited the financial statements of Red River, Atchafalaya and Bayou Boeuf Levee District (the District) as of and for the year ended June 30, 2009 and have issued our report thereon dated August 10, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as items 07-01 (IC) and 08-02(IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiencies described above are material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Red River, Atchafalaya and Bayou Boeuf Levee District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

The responses to the findings identified in our audit are described in the accompanying summary schedule of current and prior year audit findings and corrective action plan. We do not audit the District's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors and management, others within the District and grant awarding agencies. However, this report is a matter of public record and its distribution is not limited. Also, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Marksville, Louisiana
August 10, 2009

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA
AND BAYOU BOEUF LEVEE DISTRICT

Summary of Auditor's Results
For the Year Ended June 30, 2009

1. The Independent Auditor's Report on the financial statements for the Red River, Atchafalaya and Bayou Boeuf Levee District as of June 30, 2009 and for the year then ended expressed an unqualified opinion.
2. The audit of the financial statements disclosed significant control deficiencies which are considered to be material weaknesses. See item numbers 07-01(IC) and 08-02(IC) in the accompanying schedule of current and prior year audit findings and corrective action plan.
3. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.
4. A management letter was not issued.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended June 30, 2009

Fiscal Year	Finding Initially Occurred	Description of finding	Corrective Action Taken	Response / Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/09) -						
<u>Compliance</u>						
There were no findings for the year ended June 30, 2009.						
<u>Internal Control</u>						
07-01(IC)	2007	Due to the limited number of administrative personnel, the District did not have adequate segregation of accounting functions.		We feel that adequate segregation of duties is not feasible based upon the cost of hiring additional personnel.	Chris Brouillette, Operations Superintendent	N/A
08-02(IC)	2008	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The District has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the District to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Chris Brouillette, Operations Superintendent	N/A

(Continued)

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan (Continued)
Year Ended June 30, 2009

Fiscal Year	Ref. No.	Finding Initially Occurred	Description of finding	Corrective Action Taken	Response / Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
	PRIOR YEAR (6/30/08) -						
	<u>Compliance</u>						
	08-01 (C)	2008	Amending the Budget - Louisiana Revised Statute 39:1310 requires the District to amend the original budget when they become aware that total actual expenditures plus projected expenditures exceed budgeted expenditures by five percent or more - LRS 39:1311(A)(2). Actual total expenditures exceeded the budget by \$704,448 or 34%.	Yes			
	<u>Internal Control:</u>						
	07-01 IC	2007	Due to the small number of employees, the District did not have adequate segregation of duties within the accounting system.	No			
	08-02(IC)	2008	The District does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No			

DIVISION OF ADMINISTRATION
REPORTING PACKAGE

RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
STATE OF LOUISIANA
Annual Financial Statements
June 30, 2009

C O N T E N T S

TRANSMITTAL LETTER
AFFIDAVIT

Statements

MD&A

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- 5** **Schedule of Current Year Revenue and Expenses – Budgetary Comparison of
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- 15** **Schedule of Comparison Figures and Instructions**
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STATE OF LOUISIANA
Annual Financial Statements
Fiscal Year Ending June 30, 2009

RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
P. O. Box 8235
Alexandria, Louisiana 71306-1235

Division of Administration
Office of Statewide Reporting
and Accounting Policy
P. O. Box 94095
Baton Rouge, Louisiana 70804-9095

Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Physical Address:
1201 N. Third Street
Claiborne Building, 6th Floor, Suite 6-130
Baton Rouge, Louisiana 70802

Physical Address:
1600 N. Third Street
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Chris Brouillette, Levee Board Operations Superintendent of Red River, Atchafalaya and Bayou Boeuf Levee District (District) who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Red River, Atchafalaya and Bayou Boeuf Levee District at June 30, 2009 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 22nd day of August, 2009.

Chris Brouillette
Signature of Agency Official

[Signature]
NOTARY PUBLIC

Prepared by: CHRIS Brouillette
Title: Operations Superintendent
Telephone No.: 318-443-9646
Date: 8-27-09
Email Address: dlafleur@rrabb.net

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

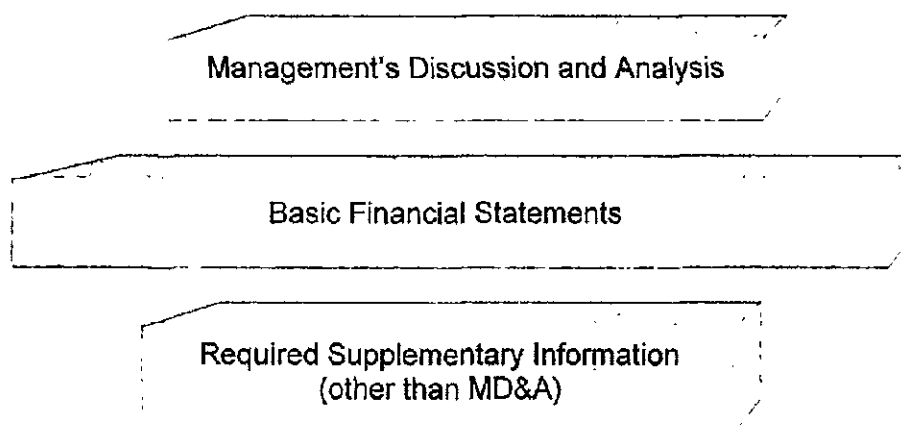
Management's Discussion and Analysis of the Red River, Atchafalaya and Bayou Boeuf Levee District's financial performance presents a narrative overview and analysis of the District's financial activities for the year ended June 30, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the District's financial statements, which begin on page 47.

FINANCIAL HIGHLIGHTS

- ★ The District's assets exceeded its liabilities at the close of fiscal year 2009 by \$2,317,875 compared to \$2,792,112 for fiscal year 2008 which represents a decrease of net assets of \$474,237 or 17%.
- ★ The District's revenues increased by \$332,052 or 13% and the expenses increased by \$586,961 or 20%; resulting in the decrease of net assets of \$474,237.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements), and Required Supplementary Information.

Basic Financial Statements

The basic financial statements present information for the District as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Balance Sheet; the Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The Balance Sheet (page 46) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets (page 47) presents information showing how the District's assets changed as a result of current year operations.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 49 - 50) presents information showing how the District's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income(loss) to net cash provided(used) by operating activities (indirect method) as required by GASB 34.

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
as of June 30, 2009 and 2008

	Total	
	2009	2008
Current and other assets	\$ 1,894,222	\$ 1,886,915
Capital assets	1,433,988	1,462,564
Total assets	3,328,210	3,349,479
Other liabilities	70,284	64,049
Long-term debt outstanding	940,051	493,318
Total liabilities	1,010,335	557,367
Net assets:		
Invested in capital assets, net of debt	1,414,908	1,404,307
Restricted	-	-
Unrestricted	902,967	1,387,805
Total net assets	\$ 2,317,875	\$ 2,792,112

Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that do not have any limitations on how these amounts may be spent.

Net assets of the District decreased by \$474,237 or 17%, from June 30, 2008 to June 30, 2009. The primary reason is due to the increase in the postemployment benefit expense for group health insurance for retirees as required by GASB 45.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

**Statement of Revenues, Expenses, and Changes in Fund Net Assets
for the years ended June 30, 2009 and 2008**

	Total	
	2009	2008
Operating revenues	\$ 2,461,849	\$ 2,349,831
Operating expenses	3,516,120	2,929,159
Operating income(loss)	(1,054,271)	(579,328)
Non-operating revenues	580,034	360,000
Non-operating expenses *	-	-
Income(loss) before transfers	(474,237)	(219,328)
Transfers in	0	0
Transfers out	0	0
Net increase(decrease) in net assets	\$ (474,237)	\$ (219,328)

* Enter expenses as a negative amount

The District's total revenues increased by \$112,018 or 5% mainly due to the increase in property tax revenues collected due to the increase in property valuations assessed. The total cost of all programs and services expenses increased by \$586,961 or 20%. The increase in cost of programs and services is attributable to the increase in the postemployment benefit expense for group health insurance and the 11,992 tons of limestone used by the District which was donated from the U.S. Corp of Engineers at a value of \$580,034.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year ended June 30, 2009, the District had \$1,433,988 invested in a broad range of capital assets, including land, buildings and heavy equipment (see accompanying Table). This amount represents a net decrease (including additions and deductions) of \$ 28,576, or 2%, over last year.

This year's major additions included:

- 2008 Komatsu Dozer with Allied Wrench (\$92,844)
- 2010 Dynaweld Lowboy Trailer (\$44,900)

	2009	2008
Land	\$ 412,005	\$ 412,005
Buildings and improvements	242,776	255,397
Equipment	779,207	795,162
Infrastructure		
Totals	\$ 1,433,988	\$ 1,462,564

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF JUNE 30, 2009**

Debt

The District had \$ 19,080 capital leases outstanding at year-end, compared to \$ 58,257 last year, a decrease of 67% as shown in the accompanying table.

Outstanding Debt at Year-end (in thousands)		
	2009	2008
General Obligation Bonds	\$	\$
Capital Leases	19,080	58,257
Totals \$	19,080	\$ 58,257

No new debt issued. New debt resulted from _____.
The _____ (BTA)'s bond rating continues to carry the _____ rating for general obligation bonds, and _____ rating for other debt.

No judgements at year end. The District has claims and judgments of \$ _____ outstanding at year-end compared with \$ _____ last year. Other obligations include accrued vacation pay and sick leave.

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

The District adopts an annual budget each year prior to the beginning of the next fiscal year. The budget is amended as necessary to reflect increases or decreases in revenue sources and the related effects on its operations. Total revenues exceeded budgeted revenues by \$86,849 or 3% and total expenditures exceeded budgeted expenditures by \$104,177 or 4%.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District's elected and appointed officials considered the following factors and indicators when setting next year's budget, rates, and fees:

- Ad valorem taxes
- Interest income
- Projects under consideration, and
- Intergovernmental revenues (state and local grants)

At the present time, there are no factors that are expected to have a significant impact on future operations.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Chris Brouillette, Levee Board Operations Superintendent at Post Office Box 8235, Alexandria, Louisiana 71306-1235.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
BALANCE SHEET
AS OF JUNE 30, 2009**

Statement A

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 1,876,539
Investments	
Receivables (net of allowance for doubtful accounts)(Note U)	17,683
Due from other funds (Note Y)	
Due from federal government	
Inventories	
Prepayments	
Notes receivable	
Other current assets	
Total current assets	1,894,222

NONCURRENT ASSETS:

Restricted assets (Note F):	
Cash	
Investments	
Receivables	
Investments	
Notes receivable	
Capital assets (net of depreciation)(Note D)	
Land	412,005
Buildings and improvements	242,776
Machinery and equipment	779,207
Infrastructure	
Construction-in-progress	
Other noncurrent assets	
Total noncurrent assets	1,433,988
Total assets	\$ 3,328,210

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accruals (Note V)	\$ 18,204
Due to other funds (Note Y)	
Due to federal government	
Deferred revenues	33,000
Amounts held in custody for others	
Other current liabilities	
Current portion of long-term liabilities: (Note K)	
Contracts payable	
Compensated absences payable	
Capital lease obligations	19,080
Claims and litigation payable	
Notes payable	
Bonds payable	
Other long-term liabilities	
Total current liabilities	70,284

NONCURRENT LIABILITIES: (Note K)

Contracts payable	
Compensated absences payable	87,493
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Bonds payable	
OPEB payable	852,558
Other long-term liabilities	
Total noncurrent liabilities	940,051
Total liabilities	1,010,335

NET ASSETS

Invested in capital assets, net of related debt	1,414,908
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	902,967
Total net assets	2,317,875
Total liabilities and net assets	\$ 3,328,210

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2009

Statement B

OPERATING REVENUES

Sales of commodities and services	\$	
Assessments		2,224,129
Use of money and property		37,306
Licenses, permits, and fees		153,741
Other		609,707
Total operating revenues		3,024,883

OPERATING EXPENSES

Cost of sales and services		
Administrative		3,319,983
Depreciation		196,137
Amortization		
Total operating expenses		3,516,120

Operating income(loss)		(491,237)
------------------------	--	-----------

NON-OPERATING REVENUES(EXPENSES)

State appropriations		
Intergovernmental revenues(expenses)		17,000
Taxes		
Use of money and property		
Gain on disposal of fixed assets		
Loss on disposal of fixed assets		
Federal grants		
Interest expense		
Other revenue		
Other expense		
Total non-operating revenues(expenses)		17,000

Income(loss) before contributions, extraordinary items, & transfers		(474,237)
---	--	-----------

Capital contributions

Extraordinary item - Loss on impairment of capital assets		
Transfers in		
Transfers out		

Change in net assets		(474,237)
----------------------	--	-----------

Total net assets – beginning, restated		2,792,112
--	--	-----------

Total net assets – ending	\$	2,317,875
---------------------------	----	-----------

The accompanying notes are an integral part of this financial statement.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

Statement C

See Appendix B for instructions

		Program Revenues		
		Operating	Capital	Net (Expense)
	Expenses	Charges for	Grants and	Revenue and
		Services	Grants and	Changes in
		Contributions	Contributions	Net Assets
Entity	\$ 3,516,120	\$ 580,034	\$	\$ (2,936,086)
General revenues:				
Taxes				2,224,129
State appropriations				17,000
Grants and contributions not restricted to specific programs				
Interest				37,306
Miscellaneous				183,414
Special items				
Extraordinary item - Loss on impairment of capital assets				
Transfers				
Total general revenues, special items, and transfers				2,461,849
Change in net assets				(474,237)
Net assets - beginning as restated				2,792,112
Net assets - ending				\$ 2,317,875

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

Statement D

Cash flows from operating activities		
Cash received from customers	\$	
Cash payments to suppliers for goods and services		(1,064,539)
Cash payments to employees for services		(1,704,020)
Payments in lieu of taxes		
Internal activity-payments to other funds		
Claims paid to outsiders		
Other operating revenues(expenses)		2,985,033
Net cash provided(used) by operating activities		<u>216,474</u>
Cash flows from non-capital financing activities		
State appropriations		17,000
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other		
Net cash provided(used) by non-capital financing activities		<u>17,000</u>
Cash flows from capital and related financing activities		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		(39,177)
Interest paid on notes payable		(1,614)
Acquisition/construction of capital assets		(167,561)
Proceeds from sale of capital assets		
Capital contributions		
Other		
Net cash provided(used) by capital and related financing activities		<u>(208,352)</u>
Cash flows from investing activities		
Purchases of investment securities		
Proceeds from sale of investment securities		
Interest and dividends earned on investment securities		37,306
Net cash provided(used) by investing activities		<u>37,306</u>
Net increase(decrease) in cash and cash equivalents		<u>62,428</u>
Cash and cash equivalents at beginning of year		<u>1,814,111</u>
Cash and cash equivalents at end of year	\$	<u><u>1,876,539</u></u>

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2009**

Reconciliation of operating income(loss) to net cash provided(used) by operating activities:

Operating income(loss)	\$ (491,237)
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:	
Depreciation/amortization	196,137
Provision for uncollectible accounts	
Other	(35,692)
Changes in assets and liabilities:	
(Increase)decrease in accounts receivable, net	(3,243)
(Increase)decrease in due from other funds	
(Increase)decrease in prepayments	58,364
(Increase)decrease in inventories	
(Increase)decrease in other assets	
Increase(decrease) in accounts payable and accruals	(8,365)
Increase(decrease) in compensated absences payable	(1,048)
Increase(decrease) in due to other funds	
Increase(decrease) in deferred revenues	33,000
Increase(decrease) in OPEB payable	468,558
Increase(decrease) in other liabilities	
Net cash provided(used) by operating activities	\$ 216,474

Schedule of noncash investing, capital, and financing activities:

Borrowing under capital lease(s)	\$
Contributions of fixed assets	
Purchases of equipment on account	
Asset trade-ins	
Other (specify)	
The District received a donation of 11,992 tons of limestone from the U. S. Corp of Engineers	580,034
Total noncash investing, capital, and financing activities:	\$ 580,034

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2009
INTRODUCTION**

The District was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute R.S. 38:291(M). The following is a brief description of the operations of the District and includes the parish/parishes in which the (BTA) is located: Avoyelles, Rapides and St. Landry.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the District present information only as to the transactions of the programs of the District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the District are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. BUDGETARY ACCOUNTING

Formal budgetary accounting is employed as a management control. The District prepares and adopts a budget prior to July 1 of each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on the prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. As required by state law, the District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. Budgetary amounts are presented as amended and all budget appropriations lapse at year end.

State appropriations made for the operations of the various programs of the District are annual lapsing appropriations.

The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments. Amendments included the increase in ad valorem revenues due to the increase in assessed property values and the donation of limestone from the U.S. Corp of Engineers.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement**

As of and for the year ended June 30, 2009

C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendix C for information related to Note C.

1. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana; in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the Statement of Cash Flows and balance sheet presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2009, consisted of the following:

	<u>Cash</u>	<u>Nonnegotiable Certificates of Deposit</u>	<u>Other (Describe)</u>	<u>Total</u>
Balance per agency books (Balance Sheet)	\$ 418,356	\$ 1,458,183	\$	\$ 1,876,539
Deposits in bank accounts per bank	\$ 495,533	\$ 1,458,183	\$	\$ 1,953,716
Bank balances of deposits exposed to custodial credit risk:				
a. Deposits not insured and uncollateralized	\$	\$	\$	\$ -
b. Deposits not insured and collateralized with securities held by the pledging institution.	\$	\$	\$	\$ -
c. Deposits not insured and collateralized with securities held by the pledging institution's trust department or agency but not in the entity's name.	\$ 245,533	\$ 151,664	\$	\$ 397,197.00

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Balance per agency books" due to outstanding items.

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The following is a breakdown by banking institution, program, and amount of the "Deposits in bank accounts per bank" balances shown above:

1. Capital One Bank	Operating	\$ 495,533
2. Union Bank	Operating	200,000
3. American Bank	Operating	401,664
4. Southern Heritage Bank	Operating	206,519
5. Sabine Bank	Operating	200,000
6. Simmesport Bank	Operating	200,000
7. Washington State Bank	Operating	250,000
Total		\$ 1,953,716

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the balance sheet to amounts reported in this note, list below any cash in treasury and petty cash that are included on the balance sheet.

Cash in State Treasury	\$ _____
Petty cash	\$ _____

2. INVESTMENTS

The District does/does not maintain investment accounts as authorized by R.S. 33:2955.

Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or the counterparty's trust department or agent, but not in the entity's name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

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GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty's trust department or agent not in the entity's name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Balance Sheet</u>	<u>Fair Value</u>
Negotiable CDs	\$ _____	\$ _____	\$ _____	\$ _____
Repurchase agreements	_____	_____	_____	_____
U.S. Government Obligations **	_____	_____	_____	_____
U.S. Agency Obligations	_____	_____	_____	_____
Common & preferred stock	_____	_____	_____	_____
Mortgages (including CMOs & MBSs)	_____	_____	_____	_____
Corporate bonds	_____	_____	_____	_____
Mutual funds	_____	_____	_____	_____
Real estate	_____	_____	_____	_____
External Investment Pool (LAMP) ***	_____	_____	_____	_____
External Investment Pool (Other)	_____	_____	_____	_____
Other: (identify)	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
	_____	_____	_____	_____
Total investments	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____	\$ _____ - \$ _____

* Unregistered - not registered in the name of the government or entity

** These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendix C for the definition of U.S. Government Obligations)

*** LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level

3. DERIVATIVES

The institution does/does not invest in derivatives as part of its investment policy. Accordingly, the exposure to risk from these investments is as follows:

credit risk _____
market risk _____
legal risk _____

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Technical Bulletin 2003-1 requires certain note disclosures for derivatives that are not reported at fair value on the Balance Sheet. See Appendix C for more details and disclose any of these required note disclosures below, if applicable.

4. CREDIT RISK, INTEREST RATE RISK, CONCENTRATION OF CREDIT RISK, AND FOREIGN CURRENCY RISK DISCLOSURES

A. Credit Risk of Debt Investments

Disclose the credit risk of debt investments by credit quality ratings as described by rating agencies as of the fiscal year end, including the rating agency used (Moody's, S&P, etc.). All debt investments regardless of type can be aggregated by credit quality rating (if any are un-rated, disclose that amount).

<u>Rating Agency</u>	<u>Rating</u>	<u>Fair Value</u>
		\$
	Total	\$ -

B. Interest Rate Risk of Debt Investments

1. Disclose the interest rate risk of debt investments by listing the investment type, total fair value, and breakdown of maturity in years for each debt investment type. (Note – This is the prescribed method, segmented time distribution, for the CAFR. Also, total debt investments reported in this table should equal total debt investments reported in Section A – Credit Risk of Debt Investments.)

Type of Debt Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	6 - 10	Greater Than 10
U.S. Government obligations	\$	\$	\$	\$	\$
U.S. Agency obligations					
Mortgage backed securities					
Collateralized mortgage obligations					
Corporate bonds					
Other bonds (describe)					
Mutual bond funds					
Other					
Total debt investments	\$ -	\$ -	\$ -	\$ -	\$ -

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2. List the fair value and terms of any debt investments that are highly sensitive to changes in interest rates due to the terms (e.g. coupon multipliers, reset dates, etc.) of the investment. See Appendix C for examples of debt investments that are highly sensitive to changes in interest rates.

<u>Debt Investment</u>	<u>Fair Value</u>	<u>Terms</u>
	\$	
Total	\$ -	

C. Concentration of Credit Risk

List, by amount and issuer, investments in any one issuer that represents 5% or more of total external investments (not including U.S. government securities, mutual funds, and investment pools).

<u>Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
	\$	
Total	\$ -	

D. Foreign Currency Risk

Disclose the U.S. dollar balances of any deposits or investments that are exposed to foreign currency risk (deposits or investments denominated in foreign currencies); list by currency denomination and investment type, if applicable.

<u>Foreign Currency</u>	<u>Fair Value in U.S. Dollars</u>	
	<u>Bonds</u>	<u>Stocks</u>
	\$	\$
Total	\$ -	\$ -

5. POLICIES

There is no formal policy for deposit and/or investments related to the custodial credit risk, credit risk of debt investments, concentration of credit risk, interest rate risk, and foreign currency risk. Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

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6. OTHER DISCLOSURES REQUIRED FOR INVESTMENTS

- a. Investments in pools managed by other governments or mutual funds _____
- b. Securities underlying reverse repurchase agreements _____
- c. Unrealized investment losses _____
- d. Commitments as of _____ (fiscal close), to resell securities under yield maintenance repurchase agreements:
 - 1. Carrying amount and market value at June 30 of securities to be resold _____
 - 2. Description of the terms of the agreement _____
- e. Losses during the year due to default by counterparties to deposit or investment transactions _____
- f. Amounts recovered from prior-period losses which are not shown separately on the balance sheet _____

Legal or Contractual Provisions for Reverse Repurchase Agreements

- g. Source of legal or contractual authorization for use of reverse repurchase agreements _____
- h. Significant violations of legal or contractual provisions for reverse repurchase agreements that occurred during the year _____

Reverse Repurchase Agreements as of Year-End

- i. Credit risk related to the reverse repurchase agreements (other than yield maintenance agreements) outstanding at year end, that is, the aggregate amount of reverse repurchase agreement obligations including accrued interest compared to aggregate market value of the securities underlying those agreements including interest _____
- j. Commitments on _____ (fiscal close) to repurchase securities under yield maintenance agreements _____
- k. Market value on _____ (fiscal close) of the securities to be repurchased _____
- l. Description of the terms of the agreements to repurchase _____
- m. Losses recognized during the year due to default by counterparties to reverse repurchase agreements _____
- n. Amounts recovered from prior-period losses which are not separately shown on the operating statement _____

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Fair Value Disclosures (GASB 31)

- o. Methods and significant assumptions used to estimate fair value of investments, if fair value is not based on quoted market prices _____
- p. Basis for determining which investments, if any, are reported at amortized cost _____
- q. For investments in external investment pools that are not SEC-registered, a brief description of any regulatory oversight for the pool _____
- r. Whether the fair value of your investment in the external investment pool is the same as the value of the pool shares _____
- s. Any involuntary participation in an external investment pool _____
- t. If you are unable to obtain information from a pool sponsor to determine the fair value of your investment in the pool, methods used and significant assumptions made in determining fair value and the reasons for having had to make such an estimate _____
- u. Any income from investments associated with one fund that is assigned to another fund _____

Land and Other Real Estate Held as Investments by Endowments (GASB 52)

- v. _____ (agency/entity) owns land or other real estate held as investments by endowments. (yes/no) Land or real estate held as investments by endowments is reported at fair value in the entity's financial statements and any applicable fair value note disclosures are reported in the preceding fair value disclosure section.

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D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the balance sheet of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Accumulated depreciation is reported on the balance sheet. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

	Year ended June 30, 2009						
	Prior Period Adjustments			Adjusted Balance 6/30/2008	Additions	Transfers*	Retirements
	Balance 6/30/2008	Adj. after submitted to OSRAP (+or-)	Restatements (+or-)				
Capital assets not being depreciated							
Land	\$ 412,005	\$	\$	\$ 412,005	\$	\$	\$ 412,005
Non-depreciable land improvements				--			--
Capitalized collections				--			--
Construction in progress				--			--
Total capital assets not being depreciated	<u>412,005</u>	<u>-</u>	<u>-</u>	<u>412,005</u>	<u>-</u>	<u>-</u>	<u>412,005</u>
Other capital assets							
Machinery and equipment	1,343,950			1,343,950	160,911		(18,932)
Less accumulated depreciation	(548,787)			(548,787)	(176,866)		18,932
Total Machinery and equipment	<u>795,163</u>	<u>-</u>	<u>-</u>	<u>795,163</u>	<u>(15,955)</u>	<u>-</u>	<u>779,208</u>
Buildings and improvements	610,927			610,927	6,650		
Less accumulated depreciation	(355,531)			(355,531)	(19,271)		
Total buildings and improvements	<u>255,396</u>	<u>-</u>	<u>-</u>	<u>255,396</u>	<u>(12,621)</u>	<u>-</u>	<u>242,775</u>
Depreciable land improvements	-			--			--
Less accumulated depreciation	-			--			--
Total depreciable land improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Infrastructure	-			--			--
Less accumulated depreciation	-			--			--
Total infrastructure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other capital assets	<u>1,050,559</u>	<u>-</u>	<u>-</u>	<u>1,050,559</u>	<u>(28,576)</u>	<u>-</u>	<u>1,021,983</u>
Capital Asset Summary:							
Capital assets not being depreciated	412,005	-	-	412,005	-	-	412,005
Other capital assets, at cost	1,954,877	-	-	1,954,877	167,561	-	(18,932)
Total cost of capital assets	<u>2,366,882</u>	<u>-</u>	<u>-</u>	<u>2,366,882</u>	<u>167,561</u>	<u>-</u>	<u>(18,932)</u>
Less accumulated depreciation	(904,318)	-	-	(904,318)	(196,137)	-	18,932
Capital assets, net	<u>\$ 1,462,564</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,462,564</u>	<u>\$ (28,576)</u>	<u>\$ -</u>	<u>\$ 1,433,988</u>

* Should be used only for those completed projects coming out of construction-in-progress to fixed assets; not associated with transfers reported elsewhere in this packet.

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E. INVENTORIES**

The District does not maintain inventory. Any inventory as of June 30, 2009 would be considered immaterial to the financial statements. Items are purchased on an as needed basis and are expensed when purchased.

F. RESTRICTED ASSETS

The District has no restricted assets as of June 30, 2009.

G. LEAVE

1. COMPENSATED ABSENCES

The District has the following policy on annual and sick leave:

District employees, both classified and unclassified, earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

2. COMPENSATORY LEAVE – N/A

Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned (K-time). Upon termination or transfer, an employee will be paid for any time and one-half compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the employees' hourly rate of pay at termination or transfer. The liability for accrued payable compensatory leave at _____ (fiscal year end) computed in accordance with the Codification of Governmental Accounting and Financial Reporting Standards, Section C60.105 is estimated to be \$ _____. The leave payable is recorded in the accompanying financial statements.

H. RETIREMENT SYSTEM

Substantially all of the employees of the District are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. **(Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)**

All full-time District employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006. Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

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Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2008 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0608 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

http://www.lasers.state.la.us/PDFs/Publications_and_Reports/Fiscal_Documents/Comprehensive_Financial_Reports/Comprehensive%20Financial%20Reports_08.pdf

Members are required by state statute to contribute with the single largest group ("regular members") contributing 7.5% of gross salary, and the District is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2009, decreased to 18.5% of annual covered payroll from the 20.4% and 19.1% required in fiscal years ended June 30, 2008 and 2007 respectively. The District's contributions to the System for the years ending June 30, 2009, 2008, and 2007, were \$140,325, \$133,102, and \$126,376, respectively, equal to the required contributions for each year.

I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. **GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*** establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement No. 45 note disclosures requirements in section 2 of this note.

1. Calculation of Net OPEB Obligation

(Note: Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits)

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2009
1. ARC (broken down by agency on pages 29-33 of the actuarial valuation report)	\$ 550,000
2. *NOO, beginning of year (see <i>OPEB Liability Spreadsheet of FYE 6/30/08</i> on OSRAP's website)	384,000
3. Amortization factor	26.17
4. Interest on NOO (4% x 2.)	15,360
5. ARC adjustment (2/3.)	14,673
6. Annual OPEB expense (1. + 4. - 5.)	550,687
7. Contributions (payments to OGB for retiree's cost of group insurance 2009 premiums)	82,129
8. Adjustment to OGB billings for retirees' insurance 2009 premiums	
9. **NOO, end of year (2. + 6. - 7 +or-8.)	852,558

* This must be obtained from the OSRAP website on the spreadsheet "OPEB Liability Spreadsheet for FYE June 30, 2008"

**This should be the same amount as that shown on the Balance Sheet for the year ended June 30, 2009 if your entity's only OPEB is administered by OGB.

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For more information on calculating the annual OPEB expense and the net OPEB obligation, see page two of the OPEB actuarial valuation report on OSRAP's website www.doa.louisiana.gov/osrap/index.htm, select "AFR packets", then scroll down and select "GASB 45 OPEB Valuation Report as of July 1, 2008, to be used for fiscal year ending June 30, 2009". Also, see Appendix D in the back of this packet.

2. Note Disclosures

If your only OPEB provider is OGB, your entity will have no OPEB note disclosures for OSRAP other than the OPEB calculation above; however, GASB 45 note disclosures are required for separately issued GAAP financial statements. Please provide OSRAP with the applicable GASB 43 and 45 note disclosures if your entity's OPEB group insurance plan is administered by an entity other than OGB. Following is a summary of the requirements of GASB Statement 45.

I. Plan Description

- a) Name of Plan
- b) Identify entity that administers the plan
- c) Type of plan
- d) Brief description of the types of benefits
- e) Authority under which benefit provisions are established or may be amended
- f) Whether the OPEB plan issues a stand-alone financial report or is included in the report of a PERS or another entity, and, if so how to obtain the report.

II. Funding Policy

- a) Authority under which the obligations of the plan members, employers, and other contributing entities (e.g., state contributions to local government plans) to contribute to the plan are established or may be amended.
- b) Required contribution rates of plan members (amount per member or percentage of covered payroll).
- c) Required contribution rates of the employer in accordance with the funding policy (in dollars or as percentage of current-year covered payroll) and, if applicable, legal or contractual maximum contribution rates: If the plan is a single-employer or agent plan and the rate differs significantly from the ARC, disclose how the rate is determined (e.g., by statute or contract) or that the plan is financed on a pay-as-you-go basis. If the plan is a cost-sharing plan, disclose the required contributions in dollars and the percentage of that amount contributed for the current year and each of the two preceding years, and how the required contribution rate is determined (e.g., by statute or by contract, or on an actuarially determined basis) or that the plan is financed on a pay-as-you-go basis.

II. Additional disclosures for sole and agent employers for each plan:

- a) For current year (CY), annual OPEB cost and the dollar amount of contributions made. If the employer has a net OPEB obligation, also disclose the components of annual OPEB cost (ARC, interest on the net OPEB obligation, and the adjustment to the ARC), the increase or decrease in the net OPEB obligation, and the net OPEB obligation at the end of the year.
- b) For the current year and each of the two preceding years, disclose annual OPEB cost, percentage of annual OPEB cost contributed that year, and net OPEB obligation at the end of the year. (For the first two years, the required information should be presented for the transition year, and for the current and transition years, respectively.)

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- c) Information about the funded status of the plan as of the most recent valuation date, including the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll. The information should be calculated in accordance with the parameters. However, employers that meet the criteria in GASB Statement 45, paragraph 11 may elect to use the alternative measurement method discussed in GASB Statement 45, paragraphs 33 through 35. Employers that use the aggregate actuarial cost method should prepare this information using the entry age actuarial cost method for that purpose only.
- d) Information about the actuarial methods and assumptions used in valuations on which reported information about the ARC, annual OPEB cost, and the funded status and funding progress of OPEB plans is based, including the following:
 - 1) Disclosure that actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.
 - 2) Disclosure that the required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.
 - 3) Disclosure that calculations are based on the types of benefits provided under the terms of the substantive plan at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, if applicable, the employer should disclose that the projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations (as discussed in the disclosure of funding policy in paragraph II(c) above) on the pattern of cost sharing between the employer and plan members in the future.
 - 4) Disclosure that actuarial calculations reflect a long-term perspective. In addition, if applicable, disclosure that, consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.
 - 5) Identification of the actuarial methods and significant assumptions used to determine the ARC for the current year and the information required by paragraph III(c) above. The disclosures should include:
 - (a) The actuarial cost method.
 - (b) The method(s) used to determine the actuarial value of assets.
 - (c) The assumptions with respect to the inflation rate, investment return (including the method used to determine a blended rate for a partially funded plan, if applicable), postretirement benefit increases if applicable, projected salary increases if relevant to determination of the level of benefits, and, for postemployment healthcare plans, the healthcare cost trend rate. If the economic assumptions contemplate different rates for successive years (year-based or select and ultimate rates), the rates that should be disclosed are the initial and ultimate rates.
 - (d) The amortization method (level dollar or level percentage of projected payroll) and the amortization period (equivalent single amortization period, for plans that use multiple periods) for the most recent actuarial valuation and whether the period is closed or open. Employers that use the aggregate actuarial cost method should disclose that because the method does not identify or separately amortize unfunded actuarial liabilities, information about funded status and funding progress has been prepared using the entry age actuarial cost method for that purpose, and that the information presented is intended to approximate the funding progress of the plan.

IV. Required Supplementary Information:

Sole and agent employers should present the following information for the most recent actuarial valuation and the two preceding valuations:

- a. Information about the funding progress of the plan, including, for each valuation, each of the elements of information listed in paragraph III(c) above.
- b. Factors that significantly affect the identification of trends in the amounts reported, including, for example, changes in benefit provisions, the size or composition of the population covered by the plan, or the actuarial methods and assumptions used. (The amounts reported for prior years should not be restated.)

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The information should be calculated in accordance with the parameters and should be presented as RSI. Employers that use the aggregate actuarial cost method should prepare the information using the entry age actuarial cost method and should disclose that fact and that the purpose of this disclosure is to provide information that approximates the funding progress of the plan.

If the cost-sharing plan in which an employer participates does not issue and make publicly available a stand-alone plan financial report prepared in accordance with the requirements of Statement 43, and the plan is not included in the financial report of a PERS or another entity, the cost-sharing employer should present as RSI in its own financial report schedules of funding progress and employer contributions for the plan (and notes to these schedules), prepared in accordance with the requirements of Statement 43. The employer should disclose that the information presented relates to the cost-sharing plan as a whole, of which the employer is one participating employer, and should provide information helpful for understanding the scale of the information presented relative to the employer.

J. LEASES

NOTE: Where five-year amounts are requested, list the total amount (sum) for the five-year period, not the annual amount for each of the five years.)

1. OPERATING LEASES

The District had not entered into any operating leases for year ended June 30, 2009.

2. CAPITAL LEASES

Capital leases are recognized in the accompanying financial statements. The amounts to be accrued for capital leases and the disclosures required for capital and operating leases by National Council on Governmental Accounting (NCGA) Statement No. 5, as adopted by the Governmental Accounting Standards Board, and FASB 13 should be reported on the following schedules:

Capital leases are defined as an arrangement in which any one of the following conditions apply: (1) ownership transfers by the end of the lease, (2) the lease contains a bargain purchase option, (3) the lease term is 75% of the asset life or, (4) the discounted minimum lease payments are 90% of the fair market value of the asset.

Schedule A should be used to report all capital leases including new leases in effect as of 6/30/09. In Schedule B, report only those new leases entered into during fiscal year 2008-2009.

SCHEDULE A – TOTAL AGENCY CAPITAL LEASES EXCEPT LEAF

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	193,559	357	19,080
c. Land	_____	_____	_____
Total	\$ 193,559.00	\$ 357.00	\$ 19,080.00

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: (Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)

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Year ending June 30:	<u>Total</u>
2010	\$ 19,437
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total minimum lease payments	19,437.00
Less amounts representing executory costs	
Net minimum lease payments	19,437.00
Less amounts representing interest	(357.00)
Present value of net minimum lease payments	\$ 19,080.00

SCHEDULE B – NEW AGENCY CAPITAL LEASES EXCEPT LEAF – N/A

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$	\$	\$
b. Equipment			
c. Land			
Total	\$ -	\$ -	\$ -

The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

Year ending June 30:	<u>Total</u>
2010	\$
2011	
2012	
2013	
2014	
2015-2019	
2020-2024	
2025-2029	
Total minimum lease payments	-
Less amounts representing executory costs	
Net minimum lease payments	-
Less amounts representing interest	
Present value of net minimum lease payments	\$ -

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SCHEDULE C – LEAF CAPITAL LEASES - N/A

<u>Nature of lease</u>	<u>Gross Amount of Leased Asset (Historical Costs)</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____
c. Land	_____	_____	_____
Total	\$ _____ -	\$ _____ -	\$ _____ -

The following is a schedule by years of future minimum lease payments under capital leases financed through the LEAF program, together with the present value of the net minimum lease payments as of (last day of your fiscal year) and a breakdown of yearly principal and interest: **(Note: If lease payments extend past FY2029, create additional rows and report these future minimum lease payments in five year increments.)**

<u>Year ending June 30:</u>	<u>Total</u>
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total minimum lease payments	_____ -
Less amounts representing executory costs	_____
Net minimum lease payments	_____ -
Less amounts representing interest	_____
Present value of net minimum lease payments	\$ _____ -

3. LESSOR DIRECT FINANCING LEASES – N/A

A lease is classified as a direct financing lease (1) when any one of the four capitalization criteria used to define a capital lease for the lessee is met and (2) when both the following criteria are satisfied:

- Collectability of the minimum lease payments is reasonably predictable.
- No important uncertainties surround the amount of the unreimbursable costs yet to be incurred by the lessor under the lease.

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Provide a general description of the direct financing agreement and complete the chart below:

<u>Composition of lease</u>	<u>Date of lease</u>	<u>Minimum lease payment receivable</u>	<u>Remaining interest to end of lease</u>	<u>Remaining principal to end of lease</u>
a. Office space	_____	\$ _____	\$ _____	\$ _____
b. Equipment	_____	_____	_____	_____
c. Land	_____	_____	_____	_____
Less amounts representing executory costs		_____		
Minimum lease payment receivable		-		
Less allowance for doubtful accounts		_____		
Net minimum lease payments receivable		-		
Less estimated residual value of leased property		_____		
Less unearned income		_____		
Net investment in direct financing lease		\$ _____		

Minimum lease payment receivables do not include contingent rentals which may be received as stipulated in the lease contracts. Contingent rental payments occur if, for example, the use of the equipment, land, or building etc., exceeds a certain level of activity each year. Contingent rentals received for fiscal year 2009 were \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

The following is a schedule by year of minimum leases receivable for the remaining fiscal years of the lease as of _____ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year ending _____:	
2010	\$ _____
2011	_____
2012	_____
2013	_____
2014	_____
2015-2019	_____
2020-2024	_____
2025-2029	_____
Total	\$ _____

4. LESSOR – OPERATING LEASE – N/A

When a lease agreement does not satisfy at least one of the four criteria (common to both lessee and lessor accounting), and both of the criteria for a lessor (collectability and no uncertain reimbursable costs), the lease is classified as an operating lease. In an operating lease, there is no simulated sale and the lessor simply records rent revenues as they become measurable and available.

Provide the cost and carrying amount, if different, of property on lease or held for lease organized by major class of property and the amount of accumulated depreciation as of _____ 20__:

	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Carrying amount</u>
a. Office space	\$ _____	\$ _____	\$ 0
b. Equipment	_____	_____	0
c. Land	_____	_____	0
Total	\$ _____	\$ _____	\$ _____

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The following is a schedule by years of minimum future rentals receivable on non-cancelable operating lease(s) as of _____ (the last day of your fiscal year): **(Note: If lease receivables extend past FY2029, please create additional rows and report these future minimum lease payment receivables in five year increments.)**

Year Ended June 30,	Office Space	Equipment	Land	Other	Total
2010	\$	\$	\$	\$	\$ -
2011					-
2012					-
2013					-
2014					-
2015-2019					-
2020-2024					-
2025-2029					-
Total	\$ -	\$ -	\$ -	\$ -	\$ -

Current year lease revenues received in fiscal year _____ totaled \$ _____. Contingent rentals received from operating leases received for your fiscal year was \$ _____ for office space, \$ _____ for equipment, and \$ _____ for land.

K. LONG-TERM LIABILITIES

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2009:
 (Balances at June 30th should include current and non-current portion of long-term liabilities.)

	Year ended June 30, 2009			Balance June 30, 2009	Amounts due within one year
	Balance June 30, 2008	Additions	Reductions		
Notes and bonds payable:					
Notes payable	\$ -	\$	\$	\$ --	\$
Bonds payable	-			--	
Total notes and bonds	-	--	-	--	--
Other liabilities:					
Contracts payable	-			--	
Compensated absences payable	88,541		1,048	87,493	
Capital lease obligations	58,257		39,177	19,080	19,080
Claims and litigation	-			--	
OPEB payable	384,000	565,360	96,802	852,558	
Other long-term liabilities	-			--	
Total other liabilities	530,798	565,360	137,027	959,131	19,080
Total long-term liabilities	\$ 530,798	\$ 565,360	\$ 137,027	\$ 959,131	\$ 19,080

(Send OSRAP a copy of the amortization schedule for any new debt issued.)

L. CONTINGENT LIABILITIES – N/A

GAAP requires that the notes to the financial statements disclose any situation where there is at least a reasonable possibility that assets have been impaired or that a liability has been incurred along with the dollar amount if it can reasonably be estimated. **Do not report impaired capital assets as defined by GASB 42 below, rather disclose GASB 42 impaired capital assets in Note CC.** Losses or ending litigation that is probable should be reflected on the balance sheet.

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The _____ (BTA) is a defendant in litigation seeking damages as follows: (Only list litigation not being handled by the Office of Risk Management or the Attorney General.)

Date of Action	Description of Litigation and Probable outcome (Probable, reasonably possible or remote)	Estimated Liability Amt for Claims & Litigation (Opinion of legal counsel)	Insurance Coverage
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
Totals		\$ _____ -	\$ _____ -

***Note:** Liability for claims and judgments should include specific, incremental claim expenses if known or if it can be estimated. For example, the cost of outside legal assistance on a particular claim may be an incremental cost, whereas assistance from internal legal staff on a claim may not be incremental because the salary costs for internal staff normally will be incurred regardless of the claim. (See GASB 30, paragraph 9)

Those agencies collecting federal funds, which have been informed that certain of their previously claimed costs were disallowed, should disclose the requested information in the schedule shown below. Show each possible disallowance on a separate line in the chart.

	Program	Date of Disallowance	Amount	*Probability of Payment	Estimated Liability Amount**
1	_____	_____	\$ _____	_____	\$ _____
2	_____	_____	_____	_____	_____
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____

* Reasonably possible, probable, or remote

** Indicate only if amount can be reasonably estimated by legal counsel

(Only answer the following questions for those claims and litigation not being handled by the Office of Risk Management.)

Indicate the way in which risks of loss are handled (circle one).

purchase of commercial insurance,

participation in a public entity risk pool (e.g., Office of Risk Management claims)

risk retention (e.g., Use of an internal service fund is considered risk retention because the entity as a whole has retained the risk of loss.)

Other (explain) _____

For entities participating in a risk pool (other than the Office of Risk Management), describe the nature of the participation, including the rights and the responsibilities of both the entity and the pool. _____

Describe any significant reductions in insurance coverage from coverage in the prior year by major categories of risk. Also, indicate whether the amount of settlements exceeded insurance coverage for each of the past three fiscal years. _____

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Disclose any cases where it is probable that a liability has been incurred, but the effect of the liability has not been reflected in the financial statements because it cannot be estimated. _____

Disclose any guarantee of indebtedness even if there is only a remote chance that the government will be called on to honor its guarantee. _____

M. RELATED PARTY TRANSACTIONS – N/A

FASB 57 requires disclosure of the description of the relationship, the transaction(s), the dollar amount of the transaction(s) and any amounts due to or from that result from related party transactions. List all related party transactions. _____

N. ACCOUNTING CHANGES – N/A

Accounting changes made during the year involved a change in accounting _____ (principle, estimate or entity). The effect of the change is being shown in _____.

O. IN-KIND CONTRIBUTIONS – N/A

List all in-kind contributions that are not included in the accompanying financial statements.

<u>In-Kind Contributions</u>	<u>Cost/Estimated Cost/Fair Market Value/As Determined by the Grantor</u>
_____	\$ _____
_____	_____
_____	_____
_____	_____
Total	\$ _____ -

P. DEFEASED ISSUES – N/A

In _____, 20____, the _____ (BTA), issued \$_____ of taxable bonds. The purpose of the issue was to provide monies to advance refund portions of _____ bonds. In order to refund the bonds, portions of the proceeds of the new issue \$_____, plus an additional \$_____ of sinking fund monies together with certain other funds and/or securities, were deposited and held in an escrow fund created pursuant to an escrow deposit agreement dated _____ between the (BTA) and the escrow trustee. The amount in the escrow, together with interest earnings, will be used to pay the principal, redemption premium, and interest when due. The refunding resulted in reducing the total debt service payments by almost \$_____ and gave the (BTA) an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$_____.

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Q. REVENUES – PLEDGED OR SOLD (GASB 48) – N/A

1. PLEDGED REVENUES

Pledged revenues are specific revenues that have been formally committed to directly collateralize or secure debt of the pledging government, or directly or indirectly collateralize or secure debt of a component unit. **Pledged revenues are revenue bonds that the State Bond Commission or the Louisiana Public Facilities Authority has authorized in your agency's name or in your agency's behalf.** Pledged revenues must be disclosed for each period in which the secured debt remains outstanding. **You must prepare a separate Note Q for each secured debt issued.**

Provide the following information about the specific revenue pledged:

a. Identify the specific pledged revenue:

- Pledged revenue is _____
- Debt secured by the pledged revenue (amount) _____
- Approximate amount of pledge _____
(equal to the remaining principal and interest requirements)

b. Term of the commitment: _____
[number of years (beginning and ending dates by month and year)
that the revenue will not be available for other purposes]

c. General purpose for the debt secured by the pledge: _____

d. Relationship of the pledged amount to the specific revenue: _____
_____ (the proportion of the specific revenue that has been pledged)

e. Comparison of the pledged revenues (current year information):

- Principal requirements: _____
- Interest requirements: _____
- Pledged revenues recognized during the period _____
(gross pledged revenue minus specified operating expenses)

NOTE: For any new Revenue Bonds, you must send a copy of the following pages:

- Cover page
- Introductory statement
- **Amortization schedule – terms and conditions**
- Plan of financing – sources and used of funds
- Security for the bond (pledged revenue information)

2. FUTURE REVENUES REPORTED AS A SALE

Future revenues reported as a sale are proceeds that an agency/entity received in exchange for the rights to future cash flows from specific future revenues and for which the agency/entity's continuing involvement with those revenues or receivables is effectively terminated. (see Appendix E)

Provide the following information in the year of the sale ONLY:

a. Identify the specific revenue sold:

- the revenue sold is _____
- the approximate amount _____
- significant assumptions used in determining the approximate amount _____

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- b. Period of the sale: _____
- c. Relationship of the sold amount to the total for that specific revenue: _____
- d. Comparison of the sale:
- proceeds of the sale _____
 - present value of the future revenues sold _____
 - significant assumptions in determining the present value _____

R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) – N/A

The following government-mandated nonexchange transactions (grants) were received during fiscal year 2008-2009:

CFDA Number	Program Name	State Match Percentage	Total Amount of Grant
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
Total government-mandated nonexchange transactions (grants)			\$ _____ -

S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS – N/A

At June 30, 20__, the _____ (BTA) was not in compliance with the provisions of _____ Bond Reserve Covenant that requires _____. The _____ (BTA) did _____ to correct this deficiency.

T. SHORT-TERM DEBT – N/A

The _____ (BTA) issues short-term notes for the following purpose(s) _____

Short-term debt activity for the year ended June 30, 20__, was as follows:

List the type of Short-term debt (e.g., tax anticipation notes)	Beginning Balance	Issued	Redeemed	Ending Balance
_____	\$ _____	\$ _____	\$ _____	\$ _____ -

The _____ (BTA) uses the following revolving line of credit for to finance _____ (list purpose for the S-T debt).

Short-term debt activity for the year ended June 30, 20__, was as follows:

	Beginning Balance	Draws	Redeemed	Ending Balance
Line of credit	\$ _____	\$ _____	\$ _____	\$ _____ -

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U. DISAGGREGATION OF RECEIVABLE BALANCES

Receivables at June 30, 2009, were as follows:

Fund (gen. fund, gas tax fund, etc.)	Customer Receivables	Taxes	Receivables from other Governments	Other Receivables	Total Receivables
General Fund	\$	\$ 10,899.00	\$	\$ 6,784.00	\$ 17,683.00
					-
Gross receivables	\$ -	\$ 10,899.00	\$ -	\$ 6,784.00	\$ 17,683.00
Less allowance for uncollectible accounts	-	-	-	-	-
Receivables, net	\$ -	\$ 10,899.00	\$ -	\$ 6,784.00	\$ 17,683.00
Amounts not scheduled for collection during the subsequent year	\$	\$	\$	\$	\$ -

V. DISAGGREGATION OF PAYABLE BALANCES

Payables at June 30, 2009, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
General Fund	\$ 18,126	\$ 78	\$	\$	\$ 18,204
					-
Total payables	\$ 18,126	\$ 78	\$ -	\$ -	\$ 18,204

W. SUBSEQUENT EVENTS – N/A

Disclose any material event(s) affecting the (BTA) occurring between the close of the fiscal period and issuance of the financial statement.

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X. SEGMENT INFORMATION – N/A

Governments that report enterprise funds or that use enterprise fund accounting and reporting standards to report their activities are required to present segment information for those activities in the notes to the financial statements. For purposes of this disclosure, a segment is an identifiable activity (or group of activities), reported as or within an enterprise fund or another stand-alone entity that has one or more bonds or other debt instruments outstanding, with a revenue stream pledged in support of that debt. In addition, the activity's revenues, expenses, gains and losses, assets, and liabilities are required to be accounted for separately. This requirement for separate accounting applies if imposed by an external party, such as accounting and reporting requirements set forth in bond indentures. Disclosure requirements for each segment should be met by identifying the types of goods and services provided and by presenting condensed financial statements in the notes, including the elements in A through C below (GASB 34, paragraph 122, as modified by GASB 37, paragraph 17.)

Type of goods or services provided by each segment:

Segment No. 1 _____

Segment No. 2 _____

A. Condensed balance sheet:

- (1) Total assets – distinguishing between current assets, capital assets, and other assets. Amounts receivable from other funds or BTAs should be reported separately.
- (2) Total liabilities – distinguishing between current and long-term amounts. Amounts payable to other funds or BTAs should be reported separately.
- (3) Total net assets – distinguishing among restricted (separately reporting expendable and nonexpendable components); unrestricted; and amounts invested in capital assets, net of related debt.

Condensed Balance sheet:

	<u>Segment #1</u>	<u>Segment #2</u>
Current assets	\$ _____	\$ _____
Due from other funds	_____	_____
Capital assets	_____	_____
Other assets	_____	_____
Current liabilities	_____	_____
Due to other funds	_____	_____
Long-term liabilities	_____	_____
Restricted net assets	_____	_____
Unrestricted net assets	_____	_____
Invested in capital assets, net of related debt	_____	_____

B. Condensed statement of revenues, expenses, and changes in net assets:

- (1) Operating revenues (by major source).
- (2) Operating expenses. Depreciation (including any amortization) should be identified separately.
- (3) Operating income (loss).
- (4) Nonoperating revenues (expenses) – with separate reporting of major revenues and expenses.
- (5) Capital contributions and additions to permanent and term endowments.
- (6) Special and extraordinary items.
- (7) Transfers
- (8) Change in net assets.
- (9) Beginning net assets.
- (10) Ending net assets.

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Condensed Statement of Revenues, Expenses, and Changes in Net Assets:

	<u>Segment #1</u>	<u>Segment #2</u>
Operating revenues	\$ _____	\$ _____
Operating expenses	_____	_____
Depreciation and amortization	_____	_____
Operating income (loss)	_____ -	_____ -
Nonoperating revenues (expenses)	_____	_____
Capital contributions/additions to permanent and term endowments	_____	_____
Special and extraordinary items	_____	_____
Transfers in	_____	_____
Transfers out	_____	_____
Change in net assets	_____ -	_____ -
Beginning net assets	_____	_____
Ending net assets	_____ -	_____ -

C. Condensed statement of cash flows:

- (1) Net cash provided (used) by:
 - (a) Operating activities
 - (b) Noncapital financing activities
 - (c) Capital and related financing activities
 - (d) Investing activities
- (2) Beginning cash and cash equivalent balances
- (3) Ending cash and cash equivalent balances

Condensed Statement of Cash Flows:

	<u>Segment #1</u>	<u>Segment #2</u>
Net cash provided (used) by operating activities	\$ _____	\$ _____
Net cash provided (used) by noncapital financing activities	_____	_____
Net cash provided (used) by capital and related financing activities	_____	_____
Net cash provided (used) by investing activities	_____	_____
Beginning cash and cash equivalent balances	_____	_____
Ending cash and cash equivalent balances	_____ -	_____ -

Y. DUE TO/DUE FROM AND TRANSFERS – N/A

1. List by fund type the amounts **due from other funds** detailed by individual fund at fiscal year end:
 (Types of funds include general fund, statutory dedicated funds, discrete component unit funds, etc).

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
Total due from other funds	_____	\$ _____

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2. List by fund type the amounts due to other funds detailed by individual fund at fiscal year end:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total due to other funds		\$ _____

3. List by fund type all transfers from other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers from other funds		\$ _____

4. List by fund type all transfers to other funds for the fiscal year:

<u>Type of Fund</u>	<u>Name of Fund</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total transfers to other funds		\$ _____

Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS – N/A

Liabilities payable from restricted assets in the _____ (BTA) at _____ (fiscal year end), reflected at \$ _____ in the liabilities section on Statement A, consist of \$ _____ in accounts payable, \$ _____ in notes payable, and \$ _____ in _____.

AA. PRIOR-YEAR RESTATEMENT OF NET ASSETS

The following adjustments were made to restate beginning net assets as of June 30, 2008.

Ending net assets 6/30/08 as reported to OSRAP on PY AFR	*Adjustments to end net assets 6/30/08 (after AFR was submitted to OSRAP) + or (-)	Restatements (Adjustments to beg. Balance 7/1/08) + or (-)	Beg net assets @ 7/1/08 as restated
\$ 1,080,447	\$ 1,711,665	\$ 1,711,665	\$ 2,792,112
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The adjustment made to restate the beginning net assets as of June 30, 2008 was made due to the error in overstating the postemployment benefit payable. The payable was incorrectly recorded at \$2,095,665 and should have been \$384,000, resulting in overstating liabilities and understating net assets by \$1,711,665.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement**

As of and for the year ended June 30, 2009

BB. NET ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB STATEMENT 46) – N/A

Of the total net assets reported on Statement A at June 30, 20__, \$_____ are restricted by enabling legislation. Enabling legislation authorizes a government to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that the resources be used only for the specific purposes stipulated in the legislation. Refer to Appendix F for more details on the determination of the amount to be reported as required by GASB Statement 46. List below the net assets restricted by enabling legislation, the purpose of the restriction, and the Louisiana Revised Statute (LRS) that authorized the revenue:

<u>Purpose of Restriction</u>	<u>LA Revised Statute Authorizing Revenue</u>	<u>Amount</u>
_____	_____	\$ _____
_____	_____	_____
_____	_____	_____
Total	_____	\$ _____

CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES – N/A

GASB 42 establishes accounting and financial reporting standards for the impairment of capital assets and for insurance recoveries. Governments are required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment has occurred. A capital asset generally should be considered impaired if both (a) the decline in service utility of the capital asset is large in magnitude and (b) the event or change in circumstance is outside the normal life cycle of the capital asset. See Appendix G for more information on GASB 42 and the Impairment of Capital Assets.

The following capital assets became permanently impaired in FY 08-09: (Insurance recoveries related to impairment losses should be used to offset those impairment losses if received in the same year as the impairment. Include these insurance recoveries in the third column in the table below. Calculate the net impairment loss after insurance recoveries received in the current fiscal year in the fourth column. Include in the Financial Statement Classification column the account line in which the net impairment loss is reported in the financial statements. There are five indicators of impairment described in Appendix G, (1) physical damage, (2) enactment of laws, etc. List the appropriate number (1-5) to identify the indicator of impairment in the second to last column below.)

<u>Type of asset</u>	<u>Amount of Impairment Loss</u>	<u>Insurance Recovery in the same FY</u>	<u>Net Impairment Loss per Financial Stmt</u>	<u>Financial Statement Classification</u>	<u>Appendix G Indicator of Impairment</u>	<u>Reason for Impairment (e.g. hurricane, fire)</u>
Buildings	\$ _____	\$ _____	\$ _____	_____	_____	_____
Movable Property	_____	_____	_____	_____	_____	_____
Infrastructure	_____	_____	_____	_____	_____	_____

Insurance recoveries received in FY 08-09 related to impairment losses occurring in previous years, and insurance recoveries received in FY 08-09 other than those related to impairment of capital assets, should be reported as program revenues, nonoperating revenues, or extraordinary items, as appropriate. Indicate in the following table the amount and financial statement classification (account line in which the insurance recovery is reported in the financial statements) of insurance recoveries not included in the table above:

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2009

<u>Type of asset</u>	<u>Amount of Insurance Recovery</u>	<u>Financial Statement Classification</u>	<u>Reason for insurance recovery (e.g. fire)</u>
Buildings	\$ _____	_____	_____
Movable Property	_____	_____	_____
Infrastructure	_____	_____	_____

The carrying amount of impaired capital assets that are idle at year-end should be disclosed, regardless of whether the impairment is considered permanent or temporary. The following capital assets were idle at the end of the fiscal year. (Include any permanently impaired capital assets listed above that are still idle at the end of the fiscal year, any temporarily impaired capital assets, and any assets impaired in prior years that are still idle at the end of the current fiscal year.)

<u>Type of asset</u>	<u>Carrying Value of Idle Impaired Assets</u>	<u>Reason for Impairment</u>
Buildings - permanently impaired	\$ _____	_____
Buildings - temporarily impaired	_____	_____
Movable Property - permanently impaired	_____	_____
Movable Property - temporarily impaired	_____	_____
Infrastructure - permanently impaired	_____	_____
Infrastructure - temporarily impaired	_____	_____

DD. EMPLOYEE TERMINATION BENEFITS

Upon termination an employee is compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. The District recognizes the cost of providing these benefits as expenditures when paid during the year. The only other termination benefit the District offers upon separation is healthcare coverage when none would otherwise be provided (COBRA). The District does not cover any of the applicable cost for healthcare coverage for the COBRA participant. The entire premium is paid the participant.

Refer to GASB No. 47, Summary, Recognition Requirements – "Involuntary" termination is recognized when there is a plan of termination approved by the government. "For financial reporting purposes, a plan of involuntary termination is defined as a plan that (a) identifies, at a minimum, the number of employees to be terminated, the job classifications or functions that will be affected and their locations, and when the terminations are expected to occur and (b) establishes the terms of the termination benefits in sufficient detail to enable employees to determine the type and amount of benefits they will receive if they are involuntarily terminated." This does not only include lay-off plans, but can include "an early-retirement incentive program that affects a significant portion of employees."

Other termination benefits paid as part of a plan, as described above, may include:

1. Early retirement incentives, such as cash payments, enhancement to defined benefit formula
2. Healthcare coverage when none would otherwise be provided (COBRA)
3. Compensated absences, including payments for leave balances
4. Payments due to early release from employment contracts

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2009**

GASB 47 requires the following disclosures about an employer's accounting for employee termination benefits:

1. A description of the termination benefit arrangement(s)
2. Period the employer becomes obligated
3. Number of employees affected
4. Cost of termination benefits
5. Type of benefit(s) provided
6. The period of time over which the benefits are expected to be provided
7. If the termination benefit affects the defined benefit pension (OPEB) obligations, disclose the change in the actuarial accrued liability for the pension or OPEB plan attributable to the termination benefit
8. When termination liabilities are reported, disclose the significant methods and assumptions used to determine the liabilities to be disclosed (for as long as the liability is reported)

The GASB 47 note disclosures listed below are provided as an example and should be modified as necessary.

Substantially all employees are eligible for termination benefits upon separation from the state. The agency recognizes the cost of providing these benefits as expenditures when paid during the year. For 2008, the cost of providing those benefits for _____ (number of) voluntary terminations totaled \$_____. For 2008, the cost of providing those benefits for _____ (number of) involuntary terminations totaled \$_____.

[The termination benefits (voluntary and involuntary) paid in FY 2008 should also be included in the Statement of Revenues, Expenses, and Changes in Fund Net Assets on the account line "Administrative" in the Operating Expense Section.]

The liability for the accrued voluntary terminations benefits payable at June 30, _____ is \$_____. This liability consists of _____ (number of) voluntary terminations. The liability for the accrued involuntary terminations benefits payable at June 30, _____ is \$_____. This liability consists of _____ (number of) involuntary terminations.

[The termination benefits (voluntary and involuntary) payable at fiscal year end should also be included on the Balance Sheet in the "compensated absences payable" account line.]

If a termination benefit is not recognized because the expected benefits are not estimable, the employer should disclose that fact. Briefly describe termination benefits provided to employees as discussed above. If none, please state that fact.

A terminated employee can continue to access health benefits, however, if the COBRA participant is paying the ENTIRE premium then there is no state contribution on behalf of this individual. Therefore, when a terminated employee pays 100% of the premium, the state would not have a termination liability.

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
Notes to the Financial Statement
As of and for the year ended June 30, 2009
EE. POLLUTION REMEDIATION OBLIGATIONS (BTA) – N/A**

Pollution remediation costs (or revenue) should be reported in the statement of activities and statement of revenues, expenses, and changes in fund net assets, if appropriate, as a program or operating expense (or revenue), special item, or extraordinary item in accordance with the guidance in Statement 34.

Disclosures

For recognized pollution remediation liabilities and recoveries of pollution remediation outlays, governments should disclose the following:

- a. The nature and source of pollution remediation obligations (for example, federal, state, or local laws or regulations)
- b. The amount of the estimated liability (if not apparent from the financial statements), the methods and assumptions used for the estimate, and the potential for changes due to, for example, price increases or reductions, technology, or applicable laws or regulations
- c. Estimated recoveries reducing the liability.

For pollution remediation liabilities, or portions thereof, that are not yet recognized because they are not reasonably estimable, governments should disclose a general description of the nature of the pollution remediation activities.

SAMPLE disclosure: (This is a sample disclosure. Adapt as necessary to fit your specific agency.)

A preliminary site assessment has been done which revealed _____ (asbestos, polluted ground water, leaking underground fuel storage tanks, etc.) on _____ agency's/entity's property. A possible explanation for this is _____. Further investigation to determine the full nature and extent of this contamination and required remediation has lead to a potential liability of \$ _____. The _____ (agency) paid \$ _____ in remediation costs for fiscal year 2009 and is reporting a balance of \$ _____ for the liability. At this time the complete cost for remediation is unable to be estimated as a result of future remediation contracts, inflation, and the amount of time involved. As these costs become estimable and costs incurred, the liability will be adjusted.

**June 30, 2009
(Fiscal close)**

Total	\$	<u>16,950</u>
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Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF NOTES PAYABLE
June 30, 2009
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
NONE	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ _____	\$ _____	\$ _____	\$ _____		\$ _____

*Send copies of new amortization schedules

SCHEDULE 3-A

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE
June 30, 2009
(Fiscal close)

Issue	Date of Issue	Original Issue	Principal Outstanding 6/30/PY	Redeemed (Issued)	Principal Outstanding 6/30/CY	Interest Rates	Interest Outstanding 6/30/CY
NONE	_____	\$ _____	\$ _____	\$ _____	\$ _____	_____	\$ _____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
Total		\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>		\$ <u> </u>

*Send copies of new amortization schedules

SCHEDULE 3-B

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF CAPITAL LEASE AMORTIZATION
For The Year Ended June 30, 2009

<u>Ending:</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
2010	\$ <u>19,437</u>	\$ <u>357</u>	\$ <u>19,080</u>	\$ <u>-</u>
2011	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2012	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2013	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2014	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2015-2019	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2020-2024	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2025-2029	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
2030-2034	<u> </u>	<u> </u>	<u> </u>	<u>-</u>
 Total	 \$ <u>19,437</u>	 \$ <u>357</u>	 \$ <u>19,080</u>	 \$ <u>-</u>

SCHEDULE 4-A

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF NOTES PAYABLE AMORTIZATION
For the Year Ended June 30, 2009

<u>Fiscal Year</u> <u>Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ <u>NONE</u>	\$ <u> </u>
2011	<u> </u>	<u> </u>
2012	<u> </u>	<u> </u>
2013	<u> </u>	<u> </u>
2014	<u> </u>	<u> </u>
2015-2019	<u> </u>	<u> </u>
2020-2024	<u> </u>	<u> </u>
2025-2029	<u> </u>	<u> </u>
2030-2034	<u> </u>	<u> </u>
Total	\$ <u> --</u>	\$ <u> --</u>

SCHEDULE 4-B

**STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF BONDS PAYABLE AMORTIZATION
For The Year Ended June 30, 2009**

<u>Fiscal Year Ending:</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ NONE	\$
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
Total	\$ <u> -- </u>	\$ <u> -- </u>

SCHEDULE 4-C

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT
SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
JUNE 30, 2009

NOT REQUIRED!	Financial Statement	Adjustments	ISIS Appropriation Report-08/14/09	Revised Budget	Variance Positive/(Negative)
Revenues:					
Intergovernmental Revenues	\$	\$	\$	\$	\$
Federal Funds			-		-
Sales of Commodities and Services			-		-
Other			-		-
Total appropriated revenues	-	-	-	-	-
Expenses:					
Cost of goods sold	\$	\$	\$	\$	\$
Personal services			-		-
Travel			-		-
Operating Services			-		-
Supplies			-		-
Professional services			-		-
Other charges			-		-
Capital outlay			-		-
Interagency transfers			-		-
Debt service			-		-
Other:					
Bad debts			-		-
Depreciation			-		-
Compensated absences			-		-
Interest expense			-		-
Other (identify)			-		-
Total appropriated expenses	-	-	-	-	-
Excess (deficiency) of revenues over expenses (budget basis)	\$	\$	\$	\$	\$

Note: Schedule 5 is only applicable for those entities whose budget is appropriated by the legislature.
SCHEDULE 5

STATE OF LOUISIANA

(BTA)

**SCHEDULE OF CURRENT YEAR REVENUE AND EXPENSES
BUDGETARY COMPARISON OF CURRENT APPROPRIATION
NON-GAAP BASIS
June 30, 2009**

Excess (deficiency) of revenues over expenses (budget basis)	\$ _____
Reconciling items:	
Cash carryover	_____
Use of money and property (interest income)	_____
Depreciation	_____
Compensated absences adjustment	_____
Capital outlay	_____
Disposal of fixed assets	_____
Change in inventory	_____
Interest expense	_____
Bad debts expense	_____
Prepaid expenses	_____
Principal payment	_____
Loan Principal Repayments included in Revenue	_____
Loan Disbursements included in Expenses	_____
Accounts receivable adjustment	_____
Accounts payable/estimated liabilities adjustment	_____
Other	_____
Change in Net Assets	\$ _____ -

Note: Schedule 5 is only applicable for entities whose budget is appropriated by the legislature.

STATE OF LOUISIANA
RED RIVER, ATCHAFALAYA AND BAYOU BOEUF LEVEE DISTRICT

COMPARISON FIGURES

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than \$1 million, explain the reason for the change.

	<u>2009</u>	<u>2008</u>	<u>Difference</u>	<u>Percentage Change</u>
1) Revenues	\$ 3,041,883	\$ 2,709,831	\$ 332,052	\$ 12.25%
Expenses	3,516,120	2,929,159	586,961	20.04%
2) Capital assets	1,433,989	1,462,564	28,575	1.95%
Long-term debt	1,010,335	557,367	452,968	79.84%
Net Assets	2,317,875	2,792,112	474,237	16.98%

Explanation for change: _____

AGENCY NUMBER
AGENCY NAME

[illegible]